

NFC Pay Engine Project Overview

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Introduction: The National Finance Center (NFC) successfully payrolls 450,000 employees of the U.S. Department of Agriculture (USDA) and approximately 60 other Federal agencies across the United States and its territories. With changing customer needs and ever evolving technology, the NFC has undertaken an initiative to replace its current payroll system with a new modern state-of-the-art “payroll engine.” For over 15 years, one of the two most important NFC systems to Federal Government servicing has been the Payroll/Personnel System. This system has been expanded to accommodate not only the “average” Federal employee personnel recordkeeping and payroll but now accommodates over 100 types of Federal and quasi-Federal employees. While functionally rich, the system itself is quite old in terms of information system standards. For this reason, NFC has a requirement to replace its Payroll/Personnel System with a new system for the Center’s current and future client base. Additionally, it will accommodate agency specific needs and provide improved integration with financial and other systems. Fundamentally, this system is envisioned to be more information friendly while costing less to operate. A System Overview of the NFC’s Payroll/Personnel System is also available at this USDA Pay Engine web site.

Concept: The USDA proposes to contract with a private sector vendor who will (1) provide a customized commercial off-the-shelf (COTS) solution and (2) work with the NFC to develop, implement, and service an integrated Federal payroll/personnel system. The NFC will provide a team of highly knowledgeable subject matter experts in both the design and operation of the current system and the statutory, regulatory and customer requirements for the new system. The NFC will also provide, as Government Furnished Equipment (GFE) located at the center in New Orleans, the computer and facilities infrastructure necessary to implement and operate the system. The contractor will bring a core COTS system capable of being adapted for this project, along with skilled computer programming personnel to bring the system in compliance with Federal pay requirements and on-line within a desired 18-month time frame. Once the system is brought up by the contractor and successfully goes through an acceptance and transition period, it will be run by NFC personnel with contractor support. USDA plans to use a non-traditional method of payment where the USDA will provide its vendor a revenue stream based on the number of Federal employees successfully paid by the system spread out over a minimum of 7 years. Payments will not begin until the system is successfully in production.

System Vision: The following draft objectives and standards are envisioned for the new system. These may be revised as the Pay Engine project progresses:

Objective 1:

- It will be capable of processing existing volumes of payroll transactions and accommodating future growth.

Standard:

An average of 450,000 payees paid each pay period

Using a single application system image, 100% pay processing completed within a maximum 12 consecutive hour time frame.

All the data for a client organization (i.e., a Federal Agency such as USDA) resides on a single data base instance.

Objective 2:

- It will be compliant with Joint Financial Management Improvement Program (JFMIP), Human Resources and Payroll Systems Requirements for time and attendance, leave and pay processing, personnel action and benefits administration, reporting, reconciliation, and records retention, and general systems requirements.

Standard:

The current system for the most part provides the functions identified in the JFMIP. Any exceptions to this will be identified at a later date. 100% compliant under new system

Objective 3:

- It will accurately process pay according to requirements set within the Code of Federal Regulations for Federal Civilian employees and provide the customer-specific functionality required by each agency to whom the NFC currently provides payroll/personnel services including classified, quasi-governmental, and judicial agencies.

Standard:

100% compliant

221 - current number of Nature of Action Codes.

46 - current number of pay related document types.

Objective 4:

- Through effective design, it will be easily maintained and operated.

Standard:

Accommodate changes to requirements for bi-weekly pay period scheduled releases.

Mandated and agency specific changes to requirements can be implemented without negatively impacting the existing operational environment.

Objective 5:

- It will be able to interface with human resource, time and attendance, accounting,

reporting and other systems regardless of system provider.

Standard:

Data processed in accordance with existing operational pay cycle.

Provide interfaces in required format and specified timing (batch vs real time).

Objective 6:

- It will be able to deploy and operate in a three-tier architecture to support different customers (distributed application with centralized data, distributed application with distributed data, and centralized application with centralized data). It will be constructed to operate in context with three distinct components of application server, data server, and GUI presentation layer which is browser-based. Exhibit 1 shows an illustrative, high-level open systems architecture.

Standard:

Compatibility with open systems standards for connectivity, presentation, data, and response time.

Projected Time frame: USDA projects a contract start date in Fiscal Year 2001. Using a phased implementation plan resulting in a minimum of three initial versions based on a segmentation of client requirements in order to implement a distinct client segment on a scheduled basis, the USDA projects the first payments to be made through the new system in Calendar Year 2002.

Acquisition Process: USDA envisions a two-step negotiated procurement with the first step selecting the best offerors and the second step selecting the best offer. The USDA will evaluate initial proposals from offerors on the basis of capability of the contractor (corporate experience, past performance and financial condition) and soundness of the technical approach and establish a competitive range consisting of those offerors determined to be technically acceptable. USDA will then conduct in-depth, iterative discussions over an extended period with each offeror in the competitive range to enable USDA to gain a better understanding of each offerors' proposed unique, performance-based approach and the offerors to gain a better understanding of USDA's requirements within the context of their proposed solution. The outcome of the interim discussions will be second step solicitations for each offeror in the competitive range which, for their unique solution, may contain customized work statements (within the context of the established Performance Work Statement for the acquisition) and associated tailored contract clauses. The USDA will then select the offer that provides the best value to the Government based on technical plans/concept, overall cost/price to the Government and an overall risk assessment.

Exhibit 1 -

